

Message Text

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PAGE 01 GENOA 00571 161402Z

13

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C O N F I D E N T I A L GENOA 0571

E.O. 11652: GDS

TAGS: EINV, BBAK, ELAB, IT

SUBJ: TORRINGTON DISPUTE

REF: A. ROME 12999

B. STATE 186501 AND PREVIOUS

1. SUMMARY: CONGEN OFFICERS MET WITH ING. UMBERTO CALVI, MANAGING DIRECTOR OF TORRINGTON'S GENOA PLANT ON SEPTEMBER 9 TO REVIEW CURRENT STATUS OF PLANT'S LIQUIDATION. CALVI REPORTED THAT TORRINGTON PROVIDED MINISTER DONAT CATTIN WITH A WRITTEN SUMMARY OF ITS POSITION ON SEPTEMBER 3. IN LETTER COMPANY CONFIRMED ITS INTENTION TO LIQUIDATE GENOA FACILITY AND REMOVE NEEDLE MAKING MACHINERY FROM ITALY. COMPANY MAINTAINED THAT UNDER NO CIRCUMSTANCES WOULD IT ACCEPT PROPOSAL FOR RESUMING OPERATIONS IN ITALY OR

PAGE 2 RUFLAAA0474 C O N F I D E N T I A L GENOA 0571

RELINQUISHING ITS MACHINERY. ACCORDING TO CALVI, TORRINGTON CONSIDERS ITS POSITION TO BE IRREVERSIBLE AND NO BENEFITS GAINED FROM METTING WITH GOI IN ROME. SINCE IPO-CIPE BENEFITS FOR TORRINGTON WOKERS EXPIRE ON SEPTEMBER 30, DEADLINE FOR GOI TO FIND A SOLUTION IS DRAWING NEAR. LOCALLY, THE METAL WOKERS UNION IS CALLING FOR A GENERAL STRIKE ON SEPTEMBER 24 TO DEMONSTRATE FOR TORRINGTON WOKERS AND TO URGE GOVERNMENT TO TAKE ACTION TO REOPEN FACTORY.

CONGEN RECOMMENDS TAHT DEPARTMENT ENKOURAGE TORRINGTON TO REVIEW ITS POSITION AND TO WORK WITH GOI OFFICIALS TO SEEK AN ACCEPTABLE SOLUTION TO PROBLEM. WE VIEW TORRINGTON'S CONTINUING REBUFF TO
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PAGE 02 GENOA 00571 161402Z

GOI INVITATION FOR A MEETING AS LIKELY TO HAVE HARMFUL EFFECTS

NOT ONLY ON TORRINGTON'S IMAGE BUT ALSO THAT OF THE PARENT
INGERSOLL-RAND ORGANIZATION AND ON OUR OVERALL BILATERAL RELATION-
SHIP. THIS WILL BE ESPECIALLY TRUE IF TORRINGTON PROCEEDS WITH
PLAN TO REQUEST THE GOI TO ENFORCE COURT ORDER'S FINDING THAT
WORKERS' OCCUPATION OF ITS PLANT SITE IS ILLEGAL. END SUMMARY.

2. IN HIS LETTER OF SEPTEMBER 3 TO MINISTER OF INDUSTRY DONAT
CATTIN. G. B. VICE PRESIDENT FOR WORLDWIDE NEEDLE OPERATIONS,
CONFIRMED TORRINGTON'S INTENTIONS TO LIQUIDATE ITS GENOA OPERATIONS

PAGE 3 RUFLAAA0474 C O N F I D E N T I A L GENOA 0571

AND REMOVE NEEDLE WORKING MACHINERY. TORRINGTON OFFERS LITTLE
ROOM FOR GOI TO PROPOSE ALTERNATE SOLUTIONS AS HOWEY CLEARLY STATES
THAT UNDER NO CIRCUMSTANCES WILL TORRINGTON REOPEN ITS PLANT OR
PERMIT EXISTING MACHINERY TO BE USED IN NEEDLE MANUFACTURING.
LIKEWISE TORRINGTON SERVED NOTICE THAT IT WOULD NOT BE INTERESTED
IN SERVING AS SALES AGENT SHOULD GOI BE THINKING OF REOPENING
PLANT FOR NEEDLE PRODUCTION. HOWEY DID NOTE THAT HIS COMPANY
WAS WILLING TO SELL THE PLANT FACILITY AND NON-NEEDLE PRODUCING
MACHINERY TO THE GOI OR A PRIVATE FIRM. CALVI SAID THAT
TORRINGTON BELIEVES ITS POSITION IS LEGALLY CORRECT AND THAT THE
COMPANY SEES NO POSSIBLE BENEFIT IN HAVING A U.S. REPRESENTATIVE
ENTER INTO NEGOTIATIONS WITH GOI. CONGEN OFFICER NOTED THAT
TORRINGTON'S REBUFF TO DONAT CATTIN'S INVITATIONS FOR MEETINGS
WAS NOT HELPFUL IN MAINTAINING AN ATMOSPHERE CONDUCTIVE TO SOLVING
THIS PROBLEM.

3. GENOA NEWSPAPER IL COLO XIX OF SEPTEMBER 11 SUGGESTS THAT
THE MINISTRY OF INDUSTRY MAY HAVE ALREADY COME TO THE CONCLUSION
THAT TORRINGTON IS NOT WORTH SAVING ON ECONOMIC GROUNDS. THE
PAPER CITES A MINISTRY OF INDUSTRY SPOKESMAN AS HAVING ADVISED
UNION OFFICIALS OF THE UNECONOMIC OF RESUMING PRODUCTION AND

PAGE 4 RUFLAAA0474 C O N F I D E N T I A L GENOA 0571

SUGGESTED THAT THE GOI WAS HAVING DIFFICULTY IN FINDING A BUYER
OR ARRANGING ALTERNATIVE USES FOR TORRINGTON FACILITY.

4. LOCAL POLITICAL AND UNION LEADERS ARE BECOMING MORE VOCAL
IN URGING GOI TO FIND A SOLUTION TO PROBLEM. BENEFITS TO
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PAGE 03 GENOA 00571 161402Z

NEARLY 500 TORRINGTON WORKERS UNDER IPO-CIPE SCHEME EXPIRE
ON SEPTEMBER 30 AND GOI IS REPORTEDLY FINDING IT DIFFICULT TO
ARRANGE ALTERNATE EMPLOYMENT FOR THEM. (CALVI CLAIMS THAT 100
OF TORRINGTON'S BEEN WORKERS HAVE ALREADY FOUND ALTERNATE
EMPLOYMENT. ONLY THE HAND CORE "AGITATORS" AND WOMEN HAVE NOT
FOUND NEW JOBS.) RAIN CURTAILED A CGIL-SPONSORED SYMPATHY
DEMONSTRATION IN SUPPORT OF TORRINGTON AND OTHER OCCUPIED
PLANTS IN GENOA AREA ON SEPTEMBER 10. ADDITIONAL DEMONSTRATIONS

CAN BE EXPECTED AS THE SEPTEMBER 30 DEADLINE APPROACHES WITH NO SOLUTION AT HAND. PROVINCIAL METAL WORKERS (FLM) ARE CONTEMPALTING CALLING A GENERAL STRIKE ON SEPTEMBER 24 AND A JOINT GOVERNMENT-LABOR DELAGATION IS SCHEDULED TO MEET WITH MINISTER OF LABOR AND MINISTER OF INDUSTRY THIS WEEK.

5. CALVI HINTED THAT TORRINGTON MAY SOON REQUEST THE GOI TO ENFORCE THE COURT RULING ORDERING THE WORKERS TO ABANDON THE PLANT SITE. HE CONCEDED TROOPS MAY BE NECESSARY TO MOVE THE

PAGE 5 RUFLAAA0474 C O N F I D E N T I A L GENOA 0571

WORKERS OUT. CONGEN OFFICER URGED CALVI TO FIRST DISCUSS THE OPTIONS WITH THE GOI BEFORE SEEKING ENFORCEMENT OF THE COURT RULING TO PREVENT OR ALLEVIATE POSSIBLE UNFORTUNATE INCIDENTS. CALVI SAID THE TORRINGTON'S MANAGEMENT MAY APPROACH THE DEPARTMENT WITH A REQUEST FOR ASSISTANCE IN PRESSING THE GOI INTO TAKING ACTION.

6. COMMENT:

FROM THIS VATAGE POINT, IT APPEARS THAT TORRINGTON'S CONTINUED REFUSAL TO ENTER INTO SERIOUS NEGOTIATIONS WITH DONAT CATTIN AND HIS REPRESENTATIVES IS JEOPARDIZING THE LIKEIHOOD THAT A SOLUTION CAN BE FOUND SUITABLE TO ALL PARTIES. THE GOI, THE UNIONS, AND THE LEFTIST-DOMINATED PRESS WILL UNDOUBTEDLY EXPLOIT TORRINGTON'S UNWILLINGNESS TO MEET WITH THE GOVERNMENT'S REPRESENTATIVES FOR THEIR OWN PAROCHIAL ENDS THUS MARRING NOT ONLY TORRINGTON'S IMAGE BUT ALSO THAT OF THE INGERSOLL-RAND ORGANIZATION IN ITALY.

7. RECOMMENDED ACTION:

DEPARTMENT SHOULD AGAIN ENCOURAGE TORRINGTON'S MANAGEMENT TO MEET WITH DONAT CATTIN TO REVEIW GOI PLANS FOR RESOLVING THE TORRINGTON PROBLEM. DEPARTMENT MAY WISH TP POINT OUT THAT COMPANY'S INFLEXIBLE STAND UNDERMINES OUR EFFORTS TO PLAY A CONFIDENTIAL

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PAGE 04 GENOA 00571 161402Z

"GOOD OFFICERS" ROLE IN ENCOURAGING THE GOI TO FIND A SOLUTION ACCEPTABLE TO ALL PARTIES AND ALSO COMES AT A DELICATE TIME IN THE ANDREOTTI GOVERNMENT'S ATTEMPT TO ESTABLISH LABOR SUPPORT FOR ITS EMERGENCY ECONOMIC PROGRAM.DI SCIULLO

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